

DOCUMENT FILE

NOTE

865-D.50

SEE 865d.01/107 FOR #1710

FROM Italy (Kirk) DATED May 29, 1936
TO NAME 1-1127 070

REGARDING:

Commercial Activities. Decree issued by Marshall Graziani on May 27th regulating all -. Economic Committee set up in Office of Civil Governor of Addis Ababa to serve as an advisory body on all applications for issue of trade licences of any kind and on price-fixing.

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865D.50/1

Commercial Activities.

Marshall Graziani was reported on May 27th to have issued a decree regulating all commercial activities. An Economic Committee has been set up in the Office of the Civil Governor of Addis Ababa to serve as an advisory body on all applications for the issue of trade licences of any kind and on price-fixing. The Committee, which meets whenever requested by the Civil Governor, is composed of a representative of the Fascist Federation, a Government official, a carabinieri officer, an officer of the Quartermaster's Office. Price-control measures in Harrar, Diredawa, and other localities are also reported.

The Merchants Confederation, after a series of meetings in Rome, drew up and received Government and corporative approval on a plan for the regulation of individual and collective commercial enterprises and the establishment of a general Ethiopian commercial policy adapted to the present and future requirements and possibilities of the newly acquired territory. It then appointed a mission, which left early yesterday morning by air for East Africa

to

to study conditions on the spot, composed of the Presidents of the Grain, Vegetable, and Feedstuffs Federation, the Foodstuffs Federation, the Clothing Corporation, of Professor Lucio Buggelli, and Giuseppe Maltese (Militia officer). The delegation will remain in East Africa for some two months, visiting Asmara, Addis Ababa, possibly other Ethiopian centers, and Djibuti ("to investigate the efficiency and possibilities of the warehouses and port of that city"). Before departing from Rome, the head of the delegation called on the Undersecretaries for Colonies and Corporations, who gave him instructions. It is expected that one of the first results of this trip of investigation will be the establishment of emporiums dealing in merchandise and foodstuffs of all sorts in the principal centers.

DOCUMENT FILE

NOTE

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SEE 865d.01/119 FOR #1733FROM Italy (Kirk) DATED June 10, 1936
TO NAME 1-1197 ...

REGARDING: Outline of plans for the importation, supplying and sale of essential commodities, and price control in Italian East Africa. Establishment of a Confederation to keep in communication with leading centers of the Empire, checking upon possibilities, conditions and prices of local markets.

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865D.50/2

DOCUMENT FILE

NOTE

SEE 665d.006/ 5 FOR Report #-

FROM Addis Ababa (Cramp) DATED Aug.20,1936.
TO NAME 1-1127 o p o

REGARDING: Semi-Annual Economic Review - Ethiopia,
January - June,1936.

Reports on commercial,banking and financial
conditions.

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865D.50/ 3

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DOCUMENT FILE

NOTE

SEE 865d.01/320 FOR Report #76

FROM Naples (Withey) DATED Oct.21, 1937

TO NAME 1-1127 GPO

REGARDING: Government control of industrial and commercial enterprises in
Italian East Africa.

DOCUMENT FILE

NOTE

SEE 865D.00/25 FOR #161

FROM Milan (Sholes) DATED Dec. 11, 1937
TO NAME 1-1127 6Po

REGARDING: Business conditions in Ethiopia. Italians returning
report that country is in grasp of business depression.

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865D.50/5

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DOCUMENT FILE

NOTE

SEE 865d.00/27 FOR #147

FROM London, England (Wolcott) DATED Jan. 5, 1938
TO NAME 1-1127 GPO

REGARDING: Economic conditions in Abyssinia after more than a year and a half of Italian occupation. Encloses copy of article from London TIMES of January 4 reviewing - and comments on -.

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865D.50/6

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DOCUMENT FILE

NOTE

SEE 865d.01/397 FOR #249

FROM London, Eng. (Wolcott) DATED Feb.7, 1938
TO NAME 1-1127 GPO

REGARDING: Economic conditions.

Encloses copies of articles concerning scarcity of capital,
resistance of the natives, and the State-controlled system of
trading.

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865D.50 / 7

Quintuplicate to Department.

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No. 8 - 1938

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OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
MAR 14 1938
DEPARTMENT OF STATE

FEB 26 1938
DIVISION OF
EUROPEAN AFFAIRS
MAR 11 1938
DEPARTMENT OF STATE

DEPARTMENT OF STATE
MAR 1 1938
DIVISION OF
NEAR EASTERN AFFAIRS

ITALIAN ECONOMIC DEVELOPMENTS IN
EAST AFRICA

ADVISOR OF POLITICAL RELATIONS
MR. DURN
MAR 14 1938
DEPARTMENT OF STATE

By: American Vice Consul

J. Dixon Edwards
J. Dixon Edwards.

Naples, Italy.

Date of completion: February 5, 1938.

Date of mailing: February 9, 1938.

APPROVED:

Thomas D. Bowman
Thomas D. Bowman
American Consul General

MAR 21 1938

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Recently there appeared in the leading Italian commercial daily (IL SOLE, of Milan) a series of articles on Italian progress in and plans for the development of Ethiopia. This journalist effort seemed to have been provoked by certain alleged aspersions published in the London TIMES to the effect that the Italian conquest had sterilized Ethiopian commerce and that in spite of Italian efforts to force the lira on the natives, the old Ethiopian currency still continued to circulate.

9.2.52
Settlement. As set forth by one writer the Italian interest in East Africa is motivated by the three traditional arguments for colonial aggrandizement: sources of raw materials, settlement of surplus population, and markets for national products. On the second point he states that it is premature to forecast, even approximately, how many colonists the new territories will absorb but that colonization has been accelerated by the formation of colonists' corporations in the various Italian provinces. To date such corporations have been formed in Romagna, Puglie, and Veneto. A group of 105 has already left from Puglie to settle in Harrar. In order to increase the extent of land under cultivation permits have been granted to farm on unexhausted crown lands with the guarantee of government purchase of the products yielded. Prizes are offered for the best grain and potatoes.

Markets. Apparently, however, there is some doubt about creating a white market for Italian goods in Ethiopia, for the same writer declares that the true market for Italian products lies in the 10 to 12 million blacks.

Opening this market will be difficult because the natives are not accustomed to Italian goods and because the monopoly of the wholesale and retail trade was formerly held by a foreign (it is implied a Greek) organization which still has a retail monopoly.

Assuming that Italian business will succeed in italianizing the native taste, commercial organization, it is proposed, will be as follows. The trading posts or "spacci" formerly supplied by Arab, Greek, and English traders will be fed through an itinerant Italian commercial system which will use automobiles and caravans of camels and mules, until the network of imperial roads, already well developed, is adequate. If experience counsels, emporia will be established in the chief centers as distributing points, probably in Addis Abeba, Harrar, Dire Dawa, Gondar, and Gimma which now are central markets for the collection, sale, and shipment of native products. It is not proposed that direct retail sales be removed from native hands since the rulers of the country must not appear to be servants of the black population.

Caravan Traffic. Apparently native traders and caravans will continue to be relied on to make the primary collection of native agricultural products for export and domestic use. The caravan traffic, which fluctuates with the state of the trails according to seasons, has allegedly increased, for some products, 100 per cent over the situation in the "Negusite" period. The major place in the traffic is held by food produce, cereals and legumes for the most part, which is chiefly absorbed

by the natives. Other food products transported are: cattle, eggs, butter, honey, wax, skins, et cetera. Quantities of the latter carried have so increased in four months, the writer claims, as to present (total) values equal to 20 times those of last July.

Most of the caravans come into Addis Abeba from the South and West. From the South come many cereals, from the North legumes and cattle, and from the South and West coffee. From June to November 1937, the products coming into the capital were, in quantity, as follows:

	1 9 3 7					
	June	July	August	Sept.	Oct.	November
Cereals (quintals)	4,754	4,856	5,816	2,316	3,182	2,166
Legumes (quintals)	1,779	1,759	2,576	1,189	3,647	1,381
Coffee (quintals)	694	431	228	302	583	931
Cattle (heads)	30,968	17,698	35,090	48,740	35,020	76,290
Miscella- neous (quintals)	1,428	1,530	3,587	3,112	11,651	16,757

The centers which maintain rather frequent commercial relations with the capital by major caravan traffic are: for the South the markets of Akaki, Moggio, Ualankiti, Cantali, Ducam, Bullalè, Gheggià, Biscioftù, Addas, Bolliè, Zuccalà, Sciamgerè, Jerer, Arussi, Boughiè, Galetti, Ambisa, Hadama, Bisciù, et cetera; for the West: Gimma, Olettà, Lechemti, Addis Alem, Soddu, Bocciò, Ambò, Furi, Enghenà, et cetera; for the East: Dessiè, Wambissà, Ekka, Deccà, Gibda, etc.; for the North: Saladè, Ficcè, Mullo, Certù, Sulultà, Gorfandò, Faicalà, etc.

Miscellaneous
Statistics.

In reply to the TIMES article another writer educes a series of figures for pre-conquest and post-conquest periods intended to prove that Italian domination has not sterilized Ethiopian commerce and that Massaua is a better shipping point than Djibouti. The value of the figures for the two periods is not apparent since they have no common denominator and no correlation. For example: before the conquest 70 per cent of Ethiopian exports went out through Djibouti, 12 per cent through the Sudan, 8 per cent through Eritrea, 5 per cent through British Somaliland, 4 per cent through Italian Somaliland, and 1 per cent through Kenya. The post-conquest distribution is not presented. The present daily average number of caravans arriving at Addis Abeba is 40, transporting on the average 300 quintals of cereals, 500 of legumes, 30 of skins, 16 of coffee, and 8 of wax. No mention is made of the number or quantities before Italian occupation. Products exported to Italy in June 1937 were worth lire 3,521,756 and those to other countries lire 3,130,662. No other comparison is made.

It is asserted that the average freight cost from Massaua to Addis Abeba is only lire 1.40 per kilogram including unloading of goods at Massaua and delivery at the capital. Against this is set the figure of Lire 1 per kilogram from Djibouti to Addis Abeba to which price must be added the cost of unloading on lighters rather than directly on shore as at Massaua and 2 per cent transit duties on the value of the goods. Moreover it is alleged that the route via Massaua avoids the traffic congestions formerly experienced at Djibouti

because

because of railroad inefficiency and the deficiencies of port facilities.

Agriculture. In the past year the cultivated areas in the governorate of Amhara have increased one third over last season, the writer states. Doubtless this indicates merely recovery from war ravages. Cultivable lands are everywhere put to seed, it is alleged, and are in excellent condition. Pasture lands are rated as of the best, and flocks and herds are on the increase.

At Dessiè has already begun to function the "agrarian section", which is at the service of the surrounding region and oversees all matters connected with national cattle raising. At the Gondar agrarian office have arrived 8,000 young coffee plants and 700 citrus tree shoots. They were at once set out in experimental fields.

Control of Hide and Skin Exports.

Under date of February 2, the MATTINO of Naples published a dispatch from Addis Abeba that a viceregal decree had been issued forbidding export of Ethiopian hides and skins to Italy or other Italian possessions except on condition that the privileged exporter should first have shipped five times as much by weight to foreign countries. The decree obviously aims at acquisition of foreign exchange.

Coffee Cultivation in Zeghiè.

In the December number of the periodical "Colonial Agriculture", published in Florence, appeared an exposition emanating from the Agrarian Office at Gondar on native coffee production on the small peninsula of Zeghiè in Lake

Tana. This peninsula runs out into the lake, on the southwest side four or five kilometers. The maximum altitude is 2,079 meters, and the area is about 15 square kilometers. Inland is a rolling plain considerably cultivated and covered by large parks of trees. The lake shore is low and almost swampy. The moderate altitude and the proximity of the lake give the district a particularly warm and damp climate.

It is not known how coffee first reached Zeghiè, but it was probably brought from Ennaria since it resembles the coffee of that region although smaller and less aromatic because of local degeneration due to the extremely primitive methods of cultivation followed. Young coffee shoots are gathered wild in the underbrush, no method of selective planting having ever been followed. Precise figures on the annual production are not available, but it apparently runs from about 1,000 to 1,200 metric tons, most of which is shipped out to other districts and to the Sudan by donkey caravan. This production is about 3.5 per cent of the crude coffee imported by Italy in 1936 and 2.9 per cent of that imported in 1937 from the rest of the world, including the colonies and Ethiopia. The total importation from Eritrea and Ethiopia in 1936 was 2,387.3 metric tons and in 1937 2,138.1 metric tons. The coffee raised in Zeghiè is, therefore, an item to be seriously considered in estimating Ethiopia's coffee potentialities.

Another coffee region of considerable importance, according to the Naples CORRIERE DELLA BORSA of January 28, 1938, is in Sidamo and Uondo, in Southern Ethiopia,

where

where the plant also grows in the wild state.

Minerals. The CORRIERE DELLA BORSA, a Neapolitan financial daily, published under date of February 2, 1938, figures on East African gold paid into the Bank of Italy during the first three quarters of 1937, as follows:

January 1937	Kilograms:	5.920
February		9.935
March		16.140
April		14.604
May		44.864
June		67.307
July		37.566
August		88.013
September		50.467
October		<u>81.611</u>
	Total:	416.427

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The present average monthly production is 50 kilograms, but it is anticipated that this quantity will rapidly increase. Five corporations are engaged in the extraction of the metal. The chief production zones are Western Ethiopia, where the gold is panned in the streams, and Eritrea, where it is mined.


The same source, on January 31, alleged that fairly rich deposits of lignite have been discovered in the regions of Lechemti, Debra Libano, Debra Brehan, and Ficcè. Further explorations are being made in Gondar and in the lake regions of Galla and Sidamo.

The Dankalia Desert, according to the same source, under date of January 28, has yielded important deposits of potassium chloride, particularly in the zone of Dallol. Chemical analysis shows that the saline deposits of Dankalia contain about 70 per cent potassium chloride, 10.5 per cent magnesium chloride, and 7.5 per cent sodium chloride.

Gauge of Italian
Economic Progress.

As proof of Italy's intention to remake the economy of East Africa and change the entire face of the country, the first mentioned writer in IL SOLE states that the Ministry of Italian Africa has announced competitions for 60 places in the corps and eligible list of the "engineers of the civil colonial genius". The thaler, it is said, circulates only in outlying parts while the lira is the only regular currency in the chief centers. Natives turning in their old thalers at the bank are, for the first time in the history of the country, the writer proudly claims, made bank depositors. "Gold Flake" cigarettes and also "Camels" have been replaced by Italian brands. Cirio marmalades have, to the grandeur of Rome, replaced English pineapple preserves.

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Copy to Commercial Attaché.

DOCUMENT FILE

NOTE

SEE 865d.01/482 FOR #1268

FROM Egypt (Fish) DATED April 20, 1938

TO NAME 1-1127 GPO

REGARDING:

Unsatisfactory economic situation in Ethiopia.

Encloses copies of report prepared by British officials
in which comments are made concerning -. (Report by Vice Consul
Walker).

865D.50/9

DOCUMENT FILE

NOTE

SEE 865d.00/35 FOR #1024

FROM Italy (Phillips) DATED July 29, 1938
TO NAME 1-1127 . . .

REGARDING: Economic conditions in Ethiopia.

Information concerning - which was furnished by an American
newspaper representative who has just returned from that country.

865D.50 / 10

DOCUMENT FILE

NOTE

SEE 121.5665/218 FOR Tel #310, noon

FROM Italy (Phillips) DATED Oct. 21, 1938
TO NAME 1-1127 ***

REGARDING: Assistant Commercial Attache Hooper has opportunity to visit Ethiopia in company of American engineer in employ of important Italian mining interests. Recommends that he be granted authority to make this trip.

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Central File: Decimal File 865D.50, Internal Affairs Of States, Italian East Africa, Economic Matters., May 29, 1936 - October 21, 1938. May 29, 1936 - October 21, 1938. MS European Colonialism in the Early 20th Century. National Archives (United States). Archives Unbound, link.gale.com%2Fapps%2Fdoc%2FSC5109727357%2FGDSC%3Fu%3Domni%26sid%3Dbookmark-GDSC. Accessed 18 June 2025.